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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

Lisa Schiff,

Debtor.

Chapter 7

Case No. 24-10010-dsj

In re:

Schiff Fine Art LLC,
Debtor.

Chapter 7

Case No. 24-10039-dsj

**LIMITED OBJECTION OF PETITIONING CREDITORS TO
CHAPTER 7 TRUSTEES' JOINT MOTION FOR ENTRY OF: (I) AN ORDER
AUTHORIZING THE TRUSTEES TO RETAIN PHILLIPS AUCTIONEERS LLC
AS THEIR AUCTIONEER UNDER THE TERMS OF CERTAIN PROPOSED
AUCTION AGREEMENTS, PURSUANT TO 11 U.S.C. §§ 327 AND 328 AND
FED. R. BANKR. P. 2014 AND 6005; APPROVING THE AUCTION
AGREEMENTS AND AUTHORIZING PHILLIPS AUCTIONEERS LLC, AS
TRUSTEES' RETAINED AUCTIONEER, TO SELL, BY WAY OF ONE OR
MORE PUBLIC AUCTIONS, PRIVATE SALES OR OTHER TRANSACTIONS,
CERTAIN ARTWORKS CONSTITUTING PROPERTY OF THE DEBTORS'
ESTATES, FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES**

**AND INTERESTS, PURSUANT TO 11 U.S.C. § 363(b), (f) AND (m); AND
GRANTING RELATED RELIEF; AND (II) AN ORDER SCHEDULING A
HEARING ON ANY TIMELY-FILED OBJECTIONS TO THE SALE OF ANY
SPECIFIC ARTWORKS, AND GRANTING RELATED RELIEF**

Candace Carmel Barasch, Richard Grossman, Adam Sheffer, and Lauren Schor (collectively, the “*Petitioning Creditors*”)¹ by and through their undersigned counsel, hereby file this objection (the “*Objection*”) to approval of Chapter 7 Trustees’ Joint Motion seeking to, among other things, sell assets free and clear of liens, claims and encumbrances [Docket No. 113] (the “*Motion*”)², and respectfully state as follows:

RELEVANT BACKGROUND

1. On January 4, 2024, Lisa Schiff filed a petition for relief under chapter 7 of the Bankruptcy Code, with such case being administered under Case No. 24-10010 (the “*Schiff Chapter 7 Case*”).

2. On January 10, 2024, the Petitioning Creditors filed an involuntary petition against the Debtor with this Court and commenced the involuntary case against Schiff Fine Art LLC (the “*SFA Chapter 7 Case*,” and together with the Schiff Chapter 7 Case, the “*Chapter 7 Cases*”).

3. On March 12, 2024, the Court entered an order granting the involuntary petition in the SFA Chapter 7 Case.

4. On May 28, 2024, the Petitioning Creditors filed their respective proofs of claim in the Schiff Chapter 7 Case. *See* Proofs of Claim Numbers 15, 16, 17, and 20 (collectively, the “*Schiff Subject Proofs of Claim*”).

¹ Michael Barasch and the Bradley A. Carmel Living Trust also join in this limited objection and for the purposes of this Objection, are included in the definition of Petitioning Creditors.

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Motion.

5. On May 28, 2024, the Petitioning Creditors filed their respective proofs of claim in the SFA Chapter 7 Case. *See* Proofs of Claim Numbers 13, 14, 15, 16, and 17 (collectively, the “***SFA Subject Proofs of Claim***” and together with the Schiff Subject Proofs of Claim, the “***Subject Proofs of Claim***”).

6. By the Motion, the Trustees seeks to sell certain assets of the debtors’ estates. As set forth below, some of the assets listed for sale in the Motion belong to one or more of the Petitioning Creditors, and as such, the Trustees should be prohibited from selling such artworks. The artworks that are owned (in whole or part) by one or more of the Petitioning Creditors (the “***Subject Artworks***”) are annexed hereto as **Exhibit A**.

LIMITED OBJECTION

7. By the Motion, the Trustee is seeking to sell certain artworks, some of which belong to the Petitioning Creditors (*i.e.*, the Subject Artworks). Neither the Debtor nor Lisa Schiff have an interest in or title to the Subject Artworks, and therefore such artworks should not be subject to the sale contemplated in the Motion *See In re Wythe Berry Fee Owner LLC*, Case No. 2211340, 2023 Bankr. LEXIS 2369, *4-5 (Bankr. S.D. N.Y. Sept. 23, 2023) (“The proof of claim, if filed in accordance with section 501 and the pertinent Bankruptcy Rules, constitutes *prima facie* evidence of the validity and amount of the claim under Federal Rule of Bankruptcy 3001(f) and Code section 502(a).”); see also 11 U.S.C. § 541(a)(1) (the bankruptcy estate consists of “all legal or equitable interests of the debtor in property as of the commencement of the case”). Absent a demonstration by the Debtor that the artwork subject to the Motion is, in fact, property of the estates, (which the Trustees cannot show, at least with respect to the Subject Artworks) the Motion should be denied with regard to the Subject Artworks.

8. Absent a demonstration by the Debtor that the Subject Artwork is property of the estate, the sale contemplated in the Motion with should not be approved (with regard to the Subject Artworks.

9. The Petitioning Creditors reserve all rights to supplement this Objection including the Subject Artwork set forth on Exhibit A.

CONCLUSION

10. For the reasons stated herein, the Petitioning Creditors respectfully request that the Court (i) deny the Motion as to the Subject Artwork, or, in the alternative (ii) modify the Order as set forth herein, and (iii) grant such other and further relief as the Court deems just and proper.

Dated: August 12, 2024

Respectfully submitted,

A.Y. STRAUSS LLC

/s/ Eric H. Horn _____

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Exhibit A

Subject Artworks

SUBJECT ARTWORKS

1. *Vaerslev, Fredrik, Untitled (Drobak Kunstforenibng #11) (2013); see Exhibit D to the Trustees' Motion, ECF No. 113 at page 91, and Exhibit G to the Trustees' Motion, ECF No. 113 at page 112 (under the spelling "Frederik Varslev").*
2. *Nares, James, Untitled (Yellow) (2002); see Exhibit D to the Trustees' Motion, ECF No. 113 at page 92, and Exhibit G to the Trustees' Motion, ECF No. 113 at page 113.*